

Idaho Public Utilities Commission

Case No. INT-G-13-02, Order No. 32793

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Intermountain Gas customers to benefit from surplus LNG sales

Intermountain Gas Company's liquefied natural gas facility has more than enough LNG to meet the needs of its customers so state regulators have approved a plan submitted by Intermountain to allow it to sell the surplus to non-utility customers and share the proceeds with customers.

In its application to the Idaho Public Utilities Commission, Intermountain Gas said it would share half the revenue it earns with customers, applying it against the annual Purchased Gas Cost Adjustment (PGA). The commission modified that request to allow a 50-50 share for sales up to \$1.5 million per year but a 70 percent customer share of revenues for sales beyond that amount.

Intermountain Gas, a natural gas distribution company serving about 315,000 southern Idaho customers, expects to have excess capacity at its Nampa LNG facility for the next few years. It proposes to sell that excess until system growth requires it to use all its LNG to meet peak-day needs for its customers.

Intermountain will use all stored LNG to first satisfy utility customer demand. It will assess non-utility customers 2.5 cents for each gallon sold to meet any operations and maintenance costs resulting from non-utility sales. The company's original application provided for that 2.5-cent charge going to the company, but the commission order directs that amount to be directed to Intermountain Gas customers instead. Non-utility customers will also pay another 2.5 cents per gallon to meet any capital expenditures or increased maintenance costs to the Nampa plant.

Non-utility customers will be required to sign a contract protecting utility customers from financial risk as well as risks to the company after the LNG is transferred to a non-utility customer. Intermountain Gas will accept all financial risk and will insulate utility customers from any costs associated with non-utility sales by separately accounting for and tracking all related costs independent of utility costs. Those results will be filed quarterly at the commission.

A full text of the commission's order, the company's application and other documents related to this case, is available on the commission's Web site at www.puc.idaho.gov. Click on "File Room" and then on "Open Gas Cases" and scroll down to Case Number INT-G-13-02.